

FAMILIES4FAMILIESDMV INC.

FINANCIAL STATEMENTS

Including Independent Auditors' Report

Years Ended December 31, 2024 and 2023

FAMILIES4FAMILIESDMV INC.

Financial Statements

Years Ended December 31, 2024 and 2023

Contents

	<u>Page</u>
Independent Auditors' Report	1-2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-10

Independent Auditors' Report

To the Board of Directors of
Families4FamiliesDMV Inc.

Opinion

We have audited the accompanying financial statements of Families4FamiliesDMV Inc. (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families4FamiliesDMV Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Families4FamiliesDMV Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Families4FamiliesDMV Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Families4FamiliesDMV Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Families4FamiliesDMV Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Toole Katz & Roemersma, LLP

Arlington, Virginia
November 13, 2025

FAMILIES4FAMILIESDMV INC.

Statements of Financial Position

December 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 115,555	\$ 126,046
Contributions receivable	24,550	13,619
Prepaid expenses	672	-
Property and equipment, net	371	1,012
Total Assets	\$ 141,148	\$ 140,677
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 2,335	\$ 209
Net Assets Without Donor Restrictions	138,813	140,468
Total Liabilities and Net Assets	\$ 141,148	\$ 140,677

See accompanying notes.

FAMILIES4FAMILIESDMV INC.

Statements of Activities

Years Ended December 31, 2024 and 2023

	2024	2023
Revenue		
Contributions	\$ 198,210	\$ 147,526
In-kind contributions	253,189	228,263
Other income	2,444	706
Total revenue	453,843	376,495
Expenses		
Program services	421,517	386,850
Management and general	33,981	31,984
Total expenses	455,498	418,834
Change in Net Assets Without Donor Restrictions	(1,655)	(42,339)
Net Assets Without Donor Restrictions, beginning of year	140,468	182,807
Net Assets Without Donor Restrictions, end of year	\$ 138,813	\$ 140,468

See accompanying notes.

FAMILIES4FAMILIESDMV INC.

Statements of Functional Expenses

Year Ended December 31, 2024

	Program Services	Management and General	Total Expenses
Contracts	\$ 7,763	\$ 15,192	\$ 22,955
Services, supplies, and equipment	13,890	758	14,648
Salaries, wages, and benefits	123,117	13,704	136,821
Rent and utilities	22,270	2,450	24,720
Office expense	366	1,141	1,507
Insurance	281	736	1,017
Depreciation	641	-	641
Groceries and other essentials (donated)	253,189	-	253,189
Total Expenses	\$ 421,517	\$ 33,981	\$ 455,498

See accompanying notes.

FAMILIES4FAMILIESDMV INC.

Statements of Functional Expenses - Continued

Year Ended December 31, 2023

	Program Services	Management and General	Total Expenses
Contracts	\$ 5,912	\$ 1,422	\$ 7,334
Services, supplies, and equipment	13,672	929	14,601
Salaries, wages, and benefits	121,600	15,132	136,732
Rent and utilities	12,785	12,785	25,570
Office expense	565	323	888
Insurance	1,393	1,393	2,786
Depreciation	2,660	-	2,660
Groceries and other essentials (donated)	228,263	-	228,263
Total Expenses	\$ 386,850	\$ 31,984	\$ 418,834

See accompanying notes.

FAMILIES4FAMILIESDMV INC.

Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets without donor restrictions	\$ (1,655)	\$ (42,339)
Adjustments to reconcile change in net assets without donor restrictions to net cash flows from operating activities		
Depreciation	641	2,660
Changes in:		
Contributions receivable	(10,931)	21,128
Prepaid expenses	(672)	-
Accounts payable and accrued expenses	2,126	(642)
Net cash used in operating activities	(10,491)	(19,193)
Net Decrease in Cash and Cash Equivalents	(10,491)	(19,193)
Cash and Cash Equivalents, beginning of year	126,046	145,239
Cash and Cash Equivalents, end of year	\$ 115,555	\$ 126,046

See accompanying notes.

FAMILIES4FAMILIESDMV INC.

Notes to Financial Statements

December 31, 2024 and 2023

NOTE 1 - ORGANIZATION

Families4FamiliesDMV Inc. (the "Organization") is a 501(c)(3) nonprofit organization and was incorporated under the laws of the state of Maryland in 2020. The Organization's mission is to harness the power of young leaders to address food insecurity nationwide.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor-imposed stipulations.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations whose use is restricted by time and/or purpose.

Cash and Cash Equivalents - The term cash and cash equivalents, as used in the accompanying financial statements, include currency on hand, demand deposits with financial institutions, and short-term, highly liquid investments purchased with a maturity of three months or less. The Organization maintains cash in certain bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Contributions Receivable - Contributions receivable are recorded at their fair values when received. Fair values are measured based on the present value of future cash flows, with consideration of expectations about possible variations in the amount and/or timing of the cash flows and other specific factors that would be considered by market participants. As of December 31, 2024 and 2023, no allowance for doubtful accounts has been established against contributions receivable. As of December 31, 2024 and 2023, contributions receivable totaled \$24,550 and \$13,619, respectively, and are expected to be collected within one year.

Property and Equipment - Property and equipment are capitalized at cost and are depreciated using the straight-line method over the estimated useful lives of three years. Expenditures for maintenance and repairs and minor betterments that do not extend the lives of the assets are charged to expenses as incurred. Major expenditures which extend the lives of the assets are capitalized. Property and equipment are periodically reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. The Organization did not recognize any impairment charges during the years ended December 31, 2024 and 2023.

Contributions - Unconditional promises to give are recognized as contributions in the period received and recorded as assets, reductions of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction is met in the reporting period in which the contributions are recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

In-Kind Contributions - The Organization receives contributed nonfinancial assets on an annual basis such as donated goods. Donated goods consists of groceries and other essential items. Donated goods that meet the requirements for recognition are recorded as revenue and expenses in the accompanying statement of activities at their fair values. The fair values of the donated goods are determined based on consideration of the cost typically incurred by buyers for similar goods.

FAMILIES4FAMILIESDMV INC.

Notes to Financial Statements

December 31, 2024 and 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Taxes - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. At December 31, 2024 and 2023, the Organization has determined that no income taxes are due for such activities. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the financial statements.

The Organization recognizes interest and penalties related to uncertain tax positions in management and general expenses. For the years ended December 31, 2024 and 2023, the Organization has not recognized any interest or penalties in its statements of activities. The Organization may be subject to U.S. federal income tax examinations by tax authorities for tax years 2022, 2023, and 2024. The Organization is not currently under examination by any taxing jurisdiction.

Functional Allocation of Expenses - The costs of program and management and general service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the program and management and general services benefited.

Advertising - Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2024 and 2023 was \$6,350 and \$4,390, respectively.

Leases - The Organization recognizes right-of-use assets and lease liabilities for leases with terms greater than 12 months. Leases are classified as either finance or operating leases. This classification dictates whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease.

The Organization has elected not to apply the recognition requirements to short-term leases (those with terms of 12 months or less). Instead, for these types of leases, the Organization recognizes lease expense in the statements of activities on a straight-line basis over the lease term.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results may differ from these estimates.

Subsequent Events - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 13, 2025, the date the accompanying financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY

As of December 31, 2024 and 2023, financial assets that are available for general expenditures within one year of the statements of financial position date were as follows:

	2024	2023
Cash and cash equivalents	\$ 115,555	\$ 126,046
Contributions receivable	24,550	13,619
Total available for general expenditures	\$ 140,105	\$ 139,665

FAMILIES4FAMILIESDMV INC.

Notes to Financial Statements

December 31, 2024 and 2023

NOTE 4 - CONCENTRATIONS

During the years ended December 31, 2024 and 2023, a significant portion of total contributions were provided by a few major contributors. It is always considered reasonably possible that benefactors, grantors, or contributors might be lost in the near term. The Organization's market is concentrated in the Washington, D.C. metropolitan geographical area.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2024 and 2023:

	2024	2023
Computers	\$ 7,171	\$ 7,171
Less: accumulated depreciation	(6,800)	(6,159)
Property and equipment, net	\$ 371	\$ 1,012

Depreciation expense for the years ended December 31, 2024 and 2023 totaled \$641 and \$2,660, respectively.

NOTE 6 - LEASES

The Organization entered into a month-to-month lease for office space which started on April 10, 2023 and required monthly rent of \$2,271. Effective November 1, 2023, the Organization entered into a new lease for the same office space which expired on October 31, 2024 and required monthly rent of \$2,271. Effective November 1, 2024, the Organization entered into a new lease for different office space at the same building location which expires on October 31, 2025 and requires monthly rent of \$1,450. The terms of the lease allow the Organization to pay additional fees for optional services. Rent expense for the years ended December 31, 2024 and 2023 totaled \$24,720 and \$25,570, respectively.

NOTE 7 - RELATED PARTY TRANSACTIONS

Board member donations for the years ended December 31, 2024 and 2023 totaled \$33,000 and \$30,700, respectively.